

**COUNCIL CHAMBERS  
1670 STIEGER LAKE LANE  
VICTORIA, MINNESOTA**

**WORKSHOP MINUTES**

**All Council and Workshop meetings are livestreamed and retained for viewing on the city website that can be accessed via [www.ci.victoria.mn.us](http://www.ci.victoria.mn.us). Click on City Council, then View Current Agendas and Minutes and scroll to the Council Meeting you would like to observe.**

**CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Mayor Funk called the Workshop to order at 5:30 p.m.

**Roll Call:**

Members Present: Mayor Tom Funk; Council members Judy Black, Tom Gregory, Deb McMillan, and Tom Vogt (arrived at 6:23 p.m.).

Absent: None

Staff Present: City Manager Dana Hardie, City Clerk Cindy Patnode, Finance Manager Trish Pollock Public Works and Park & Recreation Director Ann Mahnke (arrived at 6 p.m.).

There were no audience members in attendance.

**WORKSHOP ITEMS**

**Preliminary 2020 Budget**

City Manager Hardie informed the Council that the budget will be brought back to Council six different times before final approval on December 9, 2019. Public comment can occur any time by attending Council meetings or submitting comments to Council or staff. A public hearing will occur in December called "Truth in Taxation". The City of Victoria is in sound financial shape and has the highest rating that can be obtained which allows the best interest rates when going out for bonds.

Ms. Hardie discussed the process of department heads looking for cost savings when working through their department budgets. She informed the Council that this is a very preliminary budget and includes all the Strategic Plan items that the Council indicated they would like to achieve in 2020. Staff is requesting input from the Council to achieve their desired final budget. Ms. Hardie also noted that the Capital Improvement Plan (CIP) lays out 20+ years into the future and staff is cognizant of that during budget planning.

Finance Manager Pollock presented an overview of the General Fund and Preliminary Levy increase at 9.4%. Ms. Pollock discussed budget pressures and efficiencies and explained the preliminary budget reflects what is needed for the city to maintain current service levels and implement the 2020 Strategic Plan items. She noted that park funding is a particular area that will need to be addressed due to lack of an income stream.

Council gave staff direction on the following points:

- 1) Council agreed to the following market cities for comparison with the stipulation that they be reviewed annually to verify they remain comparable to Victoria: Arden Hills, Belle Plaine, Carver, Jordan, Lake Elmo, Minnetrista, Mound, Rogers, Waconia, Orono, Prior Lake, and Shorewood. It was clarified that these cities were based on population, employees, types of services, and growth cycle.

- 2) Council consensus was to budget the additional items for the next preliminary budget discussion:
  - a. 13.5-acre property – determine costs that need to be considered for this project;
  - b. Parks – Since the funding source for new parks readjusted in 2017 due to possible litigation to the “Recreation Facility Fee” that was included in building permits, it eliminated that income stream which was designated to the Park Dedication Fund. These expenditures include new park construction along with other non-maintenance park expenses. The Council was hesitant to recombine the Parks and Trails Funds as that was split to ensure trail gaps were addressed. Council consensus was for staff to recommend funding options for consideration.
  
- 3) Council consensus was to add services that would increase the tax levy: Yard waste; Strategic Planning items scheduled for 2021 if Council chooses to complete in 2020; converting the old public works building location on Stieger Lake Lane into a parking lot; creating a parking area in the Salter’s Park location. Items for reducing levy: Reviewing bonds for possible refinancing if there could be a cost savings; incorporate a Municipal Service District that would address parking and beautification within a targeted area in the city (east and west downtown). Staff will bring back the Municipal Service District as a separate item for discussion at a future meeting.
  
- 4) Council consensus was to fund the Wassermann Park land purchase with \$650,000 from the undergrounding bond proceeds and \$200,000 from the Park Fund and to budget the undergrounding of utilities in the 13.5-acre property for future development.

**ADJOURNMENT**

On a motion by McMillan, seconded by Black, to adjourn at 6:54 p.m.  
Motion carried unanimously.

**ATTEST:**

  
Cindy Patnode, City Clerk

  
Thomas C. Funk, Mayor